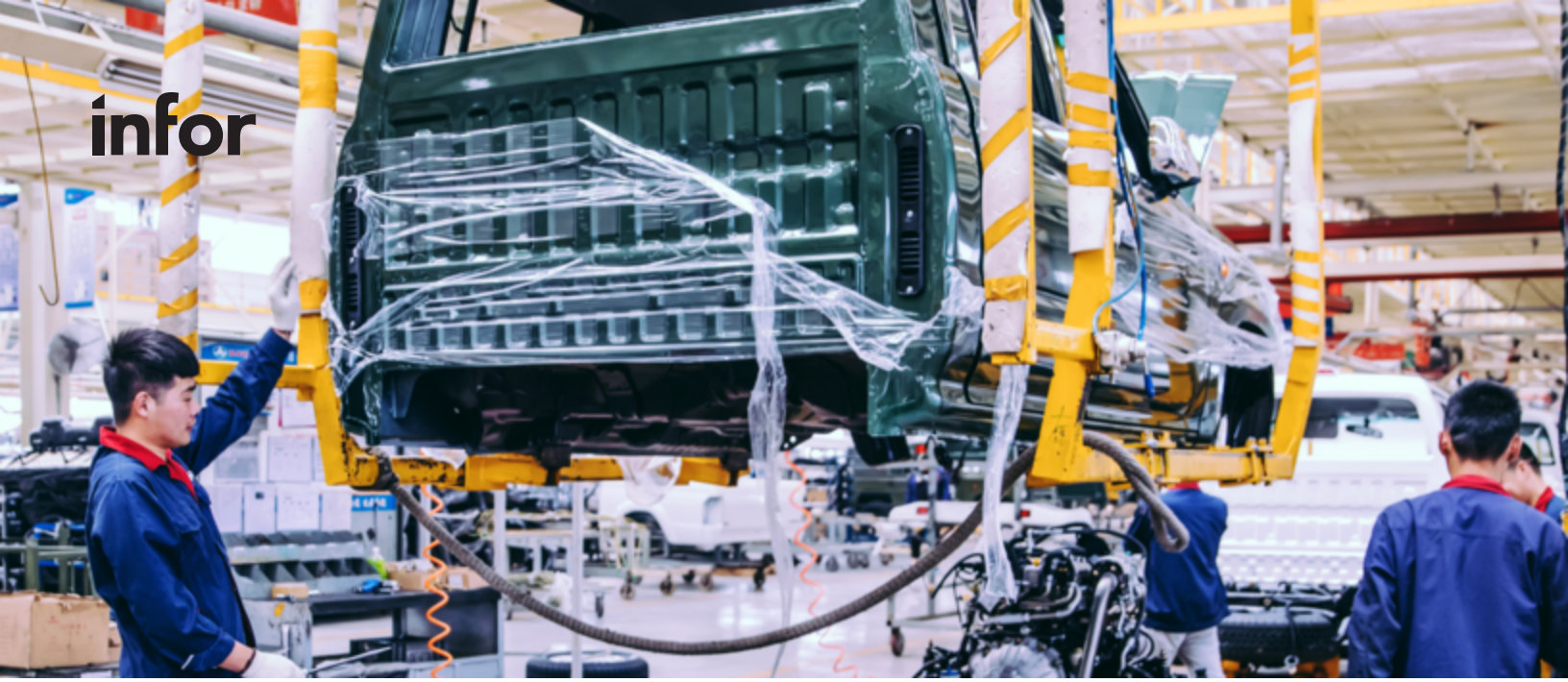

HOW-TO GUIDE

10 ways for automotive companies to achieve greater agility

Automotive Industry

Avoid reckless rushing and adopt mindful choreography of new technology and processes

Rapid change has become a way of life. The speed of business continues to escalate, particularly for the automotive industry. An agile IT framework and highly flexible solutions are helping organizations adapt to rapid changes, including those brought on by COVID-19 and the ensuing supply chain disruption.

For **the auto industry**, the supply chain upheaval and semiconductor chip shortage cost about $210 billion in lost revenue. More than 11.3 million vehicles were put on hold, waiting for the necessary chips. Fortunately, modern technologies can help enterprises fully analyze risks, respond quickly to pressures, and develop new strategies with confidence. Modern ERP solutions support agile thinking, swift response, and appropriate-paced execution of new tactics. Deliberate and thoughtful choreography is more important than reckless rushing.

Automakers, dealers, OEMs, and suppliers must turn to creative problem-solving, innovation, and out-of-the box thinking to overcome today's fast changing challenges and seize the emerging opportunities.

Agility must be an enterprise-wide strategy, starting at the top of the organization and communicated down through channels.

Here are ten ways to foster agility across your organization:

1. Product innovation. The transformative impact of CASE (Connected, Autonomous, Shared, and Electrified) is widespread, changing the way consumers think about vehicles, commuting, and travel. Staying on top of the rapid changes in market attitudes, product designs, and operational technology requires end-to-end modern software. Product lifecycle management solutions can help automakers and suppliers manage the launch of new designs and features, from research and design to engineering and procurement of the right components.

2. Collaboration. Design changes involve engineers, industrial designers, shop floor operations, procurement, and the supply chain. Sharing ideas, designs, CAD drawings, and managing the impact of changes across the business can be enabled through collaborative tools. Collaboration can also extend between companies and co-manufacturing partnerships, while protecting intellectual property.

3. Customer experience. Vehicles—of all sizes and makes—are becoming more attuned to the driver's experience, offering luxuries such as heated seats, camera-assisted parking, and collision avoidance sensors. These types of major changes mean new types of raw materials, new sub-assemblies, and advanced tracking of versions and obsolescence. Cloud-based solutions—fast and easy to implement—provide flexibility and scalability in launching new business units, new plants, and new partnerships to bring these new capabilities to market.

4. Greater emphasis on regional hubs. Manufacturers and suppliers worldwide strive to hit the appropriate balance of suppliers who are nearby and ones that offer greater inventory or lower prices. Solutions that provide full visibility and augmented analytics help executives manage high level issues like this, while also providing the ability to examine "what if" scenarios and project possible outcomes. Modern AI-driven technology is a must.

5. Enhanced supply chain visibility. Tools for supply chain planning can help manufacturers monitor inventories, deliveries, shipping routes, expected deliveries—and the impact on sales orders if a delivery is delayed. While visibility into the problem may not make the components arrive any faster, advanced warning of potential issues helps prepare, find alternatives, and set realistic expectations among customers.

6. Business intelligence. As companies set recovery strategies, **data insights will be essential for making sense** of the changes, and of the financial impact those changes bring. New ways of anticipating and measuring the impact and predicting outcomes will enable those at the C-level and throughout the organization to improve awareness and make the right decisions. Augmented intelligence, artificial intelligence, machine learning, and digital platforms will be critical.

7. Adjusting safety stock level. In the past, just-in-time (JIT) strategies kept a minimum safety stock of raw resources so less capital would be tied up in the warehouse. Many are reconsidering the strategy, upping minimum safety stock levels to avoid being caught with stock-outs. Accurate forecasting using AI-driven analytics helps plan for the appropriate inventory levels.

8. Talent acquisition, retention. Digitally fluent talent will rapidly become the cornerstone of competitive advantage. Modern Infor CloudSuite™ solutions are easy to use, intuitive, and automate routine processes, allowing personnel to focus on more advanced needs and providing a positive, fulfilling user experience.

9. Engineer-to-order and make-to-order. Manufacturers increasingly need to turn to configured products to meet customer expectation for personalized products. **Configure, price, quote (CPQ) solutions** help streamline the process for personalizing products and quickly generating quotes and detailed drawings for customers to approve.

10. Sustainability. Consumers are demanding that manufacturers modify their plant and factory processes to reduce the carbon footprint. They also want the products they purchase to have a low environmental impact. This requires changes to machinery in the factory and assembly line, as well as changes to fleets and changes to product designs. Managing this evolution can be complex and costly, with a myriad of steps to track. Advanced ERP solutions, deployed in the cloud, are key to simplifying complexity and keeping a focus on the end goal, while maintaining productivity and margins.

Conclusions

With COVID-19 disrupting the global supply chain, enterprises learned the value of agile response to changing conditions. As companies begin to prepare for the next normal, agility will still be important. Rapid change seems likely to continue or even escalate as pent-up demand is unleashed and consumers (both B2C and B2B) are eager to return to normalcy. Preparing now makes sense. Adopting advanced, modern technology, deployed in the cloud, will help companies respond quickly to new pressures as they arise. Highly agile, flexible solutions help enterprises in the automotive industry thrive in a constantly disrupted world.

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